

Monthly Operating Report
ACCRUAL BASIS


| | |
|---------------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |
| JUDGE: | Stacey Jernigan |

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6
MONTHLY OPERATING REPORT

MONTH ENDING: November 2020
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY.


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Chief Restructuring Officer/ Chief Executive Officer
TITLE

James Seery

PRINTED NAME OF RESPONSIBLE PARTY

DATE

PREPARER.


ORIGINAL SIGNATURE OF PREPARER

Chief Financial Officer

TITLE

Frank Waterhouse

PRINTED NAME OF PREPARER

1.07.21

DATE

EXHIBIT
SE32

Monthly Operating Report
ACCRUAL BASIS-I

| | |
|--------------|---------------------------------|
| CASE NAME: | Highland Capital Management, LP |
| CASE NUMBER: | 19-12239-CSS |

Comparative Balance Sheet
(in thousands)

| | 10/15/2019 | 12/31/2019 ⁽⁶⁾ | 11/30/2020 ⁽⁶⁾ |
|---|------------|---------------------------|---------------------------|
| Assets | | | |
| Cash and cash equivalents | 2,529 | 9,501 | 13,367 |
| Investments, at fair value ⁽³⁾ | 232,620 | 232,820 | 106,344 |
| Equity method investees ⁽³⁾ | 161,819 | 183,529 | 94,853 |
| Management and incentive fee receivable | 2,579 | 1,929 | 1,496 |
| Fixed assets, net | 3,754 | 3,521 | 2,670 |
| Due from affiliates ⁽¹⁾ | 151,901 | 146,276 | 150,152 |
| Reserve against notes recievable | | (57,963) | (59,393) |
| Other assets | 11,311 | 11,463 | 8,961 |
| Total assets | \$ 566,513 | \$ 531,076 | \$ 318,449 |
| Liabilities and Partners' Capital | | | |
| Pre-petition accounts payable ⁽⁴⁾ | 1,176 | 1,141 | 1,077 |
| Post-petition accounts payable ⁽⁴⁾ | - | 2,042 | 750 |
| Secured debt: | | | |
| Frontier | 5,195 | 5,195 | 5,195 |
| Jefferies | 30,328 | 30,020 | - |
| Accrued expenses and other liabilities ⁽⁴⁾ | 59,203 | 63,275 | 58,254 |
| Accrued re-organization related fees ⁽⁵⁾ | - | 5,547 | 7,823 |
| Claim accrual ⁽²⁾ | 73,997 | 73,997 | 73,997 |
| Partners' capital | 396,614 | 349,857 | 171,353 |
| Total liabilities and partners' capital | \$ 566,513 | \$ 531,076 | \$ 318,449 |

⁽¹⁾ Includes various notes receivable at carrying value, except note due from Hunter Mountain Investment Trust which is fully reserved against (\$59M reserve). Fair value has not been determined with respect to any of the notes.

⁽²⁾ Uncontested portion of Redeemer claim less applicable offsets. Potential for additional liability based on future events. No interest has been accrued beyond petition date. No additional accruals will be made on settlement claims until further approval by the court.

⁽³⁾ Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

⁽⁴⁾ Note on accruals: expenses recorded in Accounts Payable and Accrued Expenses and Other Liabilities reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices. For balance sheet dates other than the Petition Date, amounts include both pre-petition and post-petition liabilities. There are additional compensation accrual amounts of \$5.7mm that are not accounted for as of the report date

⁽⁵⁾ Beginning December 31st, 2019, Debtor accrued for post-petition re-organization fees based upon an estimate of fees incurred to date.

⁽⁶⁾ All balances at December 31st, 2019 are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, balances for subsequent months have and will fluctuate.

Monthly Operating Report
ACCRUAL BASIS-2

| | | |
|--------------|---------------------------------|--|
| CASE NAME: | Highland Capital Management, LP | |
| | | |
| CASE NUMBER: | 19-12239-CSS | |

Income Statement ¹

(in thousands)

| | Date | Filing to Year Ended ⁽⁴⁾ | Month ended ⁽⁴⁾ | Filing to date ⁽⁴⁾ |
|---|---------------------|-------------------------------------|----------------------------|-------------------------------|
| | 10/16/19 - 10/31/19 | 2019 | 11/30/2020 | |
| Revenue: | | | | |
| Management fees | 975 | 4,528 | 1,528 | 22,641 |
| Shared services fees | 283 | 1,588 | 579 | 8,465 |
| Other income | 99 | 1,582 | 296 | 5,373 |
| Total operating revenue | 1,357 | 7,697 | 2,403 | 36,479 |
| Operating expenses: | | | | |
| Compensation and benefits ⁽⁵⁾ | 997 | 1,498 | 1,626 | 19,038 |
| Professional services | 256 | 64 | 273 | 2,657 |
| Investment research and consulting | 10 | 266 | 4 | 969 |
| Marketing and advertising expense | - | 370 | (65) | 463 |
| Depreciation expense | 82 | 244 | 76 | 1,092 |
| Bad debt expense reserve | - | 8,410 | 124 | 9,839 |
| Other operating expenses | 201 | 1,265 | 539 | 5,647 |
| Total operating expenses | 1,545 | 12,118 | 2,577 | 39,706 |
| Operating income/(loss) | (188) | (4,421) | (174) | (3,227) |
| Other income/expense: | | | | |
| Interest income | 250 | 1,230 | 481 | 6,602 |
| Interest expense | (107) | (286) | (21) | (718) |
| Reserve against notes receivable | - | (57,963) | - | (57,963) |
| Re-org related expenses ⁽²⁾ | - | (5,547) | (2,738) | (32,876) |
| Independent director fees | - | - | (210) | (2,187) |
| Other income/expense | 32 | 32 | (1) | (170) |
| Total other income/expense | 175 | (62,534) | (2,490) | (87,312) |
| Net realized gains/(losses) on investments | 339 | 618 | (4,819) | (30,030) |
| Net change in unrealized gains/(losses) of investments ⁽³⁾ | 2,654 | (955) | 5,143 | (36,384) |
| | 2,993 | (337) | 324 | (66,414) |
| Net earnings/(losses) from equity method investees ⁽³⁾ | (20) | 14,918 | (391) | (73,925) |
| Net income/(loss) | \$ 2,959 | \$ (52,374) | \$ (2,732) | \$ (230,878) |

(1) Note on accruals: expenses recorded in the Income Statement reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices.

(2) Debtor funded various retainers totaling \$790k prior to the petition date, which were entirely expensed as of the petition date.

(3) Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

(4) All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, operating results will change as these entries are made.

(5) There are additional compensation accrual amounts of \$5.7mm that are not accounted for as of the report date.

Monthly Operating Report
ACCRUAL BASIS-3A

| | |
|--------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

| | FILING TO YEAR END 2019 | QUARTER 1 | QUARTER 2 | QUARTER 3 | OCTOBER | NOVEMBER |
|--|----------------------------|---------------|---------------|----------------|---------------|---------------|
| CASH RECEIPTS AND DISBURSEMENTS | | | | | | |
| 1. CASH - BEGINNING OF MONTH | \$ 2,554,230 | \$ 9,501,409 | \$ 12,532,467 | \$ 14,993,872 | \$ 5,887,813 | \$ 8,752,728 |
| RECEIPTS FROM OPERATIONS | | | | | | |
| 2. OTHER OPERATING RECEIPTS | \$ 1,862,757 | \$ 1,379,338 | \$ 2,983,221 | \$ 2,259,736 | \$ 598,804 | \$ 1,568,241 |
| 3 MANAGEMENT FEES AND OTHER RELATED RECEIPTS | \$ 3,156,742 | \$ 7,555,297 | \$ 6,179,437 | \$ 5,575,680 | \$ 1,367,428 | \$ 5,473,112 |
| COLLECTION OF ACCOUNTS RECEIVABLE | | | | | | |
| 4 PREPETITION | \$ 3,593,108 | \$ 76,569 | \$ 3,727 | \$ - | \$ - | \$ 197,173 |
| 5 POSTPETITION ¹ | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6 TOTAL OPERATING RECEIPTS | \$ 8,612,608 | \$ 9,011,204 | \$ 9,166,385 | \$ 7,835,415 | \$ 1,966,232 | \$ 7,238,525 |
| NON-OPERATING RECEIPTS | | | | | | |
| THIRD PARTY FUND ACTUAL/EXPECTED DISTRIBUTIONS | | | | | | |
| 7 | \$ 423,468 | \$ 18,992,786 | \$ 797,571 | \$ 610,254 | \$ - | \$ 289,873 |
| 8 DIVS, PAYDOWNS, MISC FROM INVESTMENT ASSETS | \$ 1,338,069 | \$ 477,479 | \$ 74,376 | \$ 5,311 | \$ 1,242 | \$ 1,244 |
| 9 OTHER (ATTACH LIST) | \$ 3,390,286 | \$ 1,407,103 | \$ 10,010,000 | \$ 8,817,099 | \$ 3,269,000 | \$ 2,623,121 |
| 10 TOTAL NON-OPERATING RECEIPTS | \$ 5,151,822 | \$ 20,877,369 | \$ 10,881,947 | \$ 9,432,664 | \$ 3,270,242 | \$ 2,914,237 |
| 11 TOTAL RECEIPTS | \$ 13,764,430 | \$ 29,888,573 | \$ 20,048,331 | \$ 17,268,080 | \$ 5,236,475 | \$ 10,152,762 |
| 12 TOTAL CASH AVAILABLE | | | | \$ 32,261,951 | \$ 11,124,288 | \$ 18,905,490 |
| OPERATING DISBURSEMENTS | | | | | | |
| 13 PAYROLL, BENEFITS, AND TAXES + EXP REIMB | \$ 3,776,446 | \$ 8,825,042 | \$ 4,886,314 | \$ 8,806,880 | \$ 1,347,709 | \$ 1,602,768 |
| 14 SINGAPORE SERVICE FEES | \$ 95,118 | \$ 58,129 | \$ 2,965 | \$ - | \$ 10,547 | \$ - |
| 15 HCM LATIN AMERICA | \$ 200,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - |
| 16 THIRD PARTY FUND CAPITAL CALL OBLIGATION | \$ 1,426,987 | \$ 7,812,469 | \$ 3,087,163 | \$ 979,631 | \$ 110,220 | \$ 722,194 |
| 17 UTILITIES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 INSURANCE | \$ - | \$ 533,940 | \$ 376,376 | \$ 163,400 | \$ - | \$ - |
| 19 INVENTORY PURCHASES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 20 VEHICLE EXPENSES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 21 TRAVEL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 22 ENTERTAINMENT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 23 REPAIRS & MAINTENANCE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 24 SUPPLIES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 25 ADVERTISING | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 26 OTHER (ATTACH LIST) | \$ 1,318,700 | \$ 3,283,898 | \$ 3,195,054 | \$ 3,633,331 | \$ 653,828 | \$ 1,022,221 |
| 27 TOTAL OPERATING DISBURSEMENTS | \$ 6,817,251 | \$ 20,613,478 | \$ 11,547,870 | \$ 13,583,243 | \$ 2,122,305 | \$ 3,347,183 |
| REORGANIZATION EXPENSES | | | | | | |
| 28 PROFESSIONAL FEES | \$ - | \$ 5,460,546 | \$ 5,572,032 | \$ 11,551,682 | \$ 39,255 | \$ 1,731,613 |
| 29 U.S. TRUSTEE FEES | \$ - | \$ 68,173 | \$ 167,025 | \$ 277,924 | \$ - | \$ 250,000 |
| 30 OTHER (ATTACH LIST) | \$ - | \$ 715,317 | \$ 300,000 | \$ 961,289 | \$ 210,000 | \$ 210,000 |
| 31 TOTAL REORGANIZATION EXPENSES | \$ - | \$ 6,244,037 | \$ 6,039,057 | \$ 12,790,896 | \$ 249,255 | \$ 2,191,613 |
| 32 TOTAL DISBURSEMENTS | \$ 6,817,251 | \$ 26,857,515 | \$ 17,586,927 | \$ 26,374,138 | \$ 2,371,560 | \$ 5,538,796 |
| 33 NET CASH FLOW | \$ 6,947,179 | \$ 3,031,058 | \$ 2,461,404 | \$ (9,106,059) | \$ 2,864,915 | \$ 4,613,966 |
| 34 CASH - END OF MONTH | \$ 9,501,409 | \$ 12,532,467 | \$ 14,993,872 | \$ 5,887,813 | \$ 8,752,728 | \$ 13,366,694 |

1 All postpetition receipts are included in line 3, Management Fees and Other Related Recepits.

Monthly Operating Report
ACCRUAL BASIS-3B

| | |
|--------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

OPERATING RECEIPTS - OTHER

| Date | Amount | Type |
|------------|-----------|----------|
| 11/12/2020 | 2,623,121 | SSP Loan |

OPERATING DISBURSMENTS - OTHER

| Date | Amount | Vendor |
|------------|-----------|---|
| 11/2/2020 | 30,820 | Third Party Consultant |
| 11/2/2020 | 159,061 | Crescent TC Investors LP |
| 11/4/2020 | 46,292 | East West Visa Payment |
| 11/6/2020 | 471 | UPS Supply Chain Solutions |
| 11/6/2020 | 600 | Action Shred of Texas |
| 11/6/2020 | 1,019 | GRUBHUB for Work |
| 11/6/2020 | 1,443 | S&P Global Market Intelligence |
| 11/6/2020 | 1,554 | Canteen Vending Services |
| 11/6/2020 | 2,466 | Thomson West |
| 11/6/2020 | 4,074 | Concur Technologies, Inc. |
| 11/6/2020 | 4,996 | Oak Cliff Office Products |
| 11/6/2020 | 5,885 | ABM |
| 11/6/2020 | 14,520 | Third Party Consultant |
| 11/6/2020 | 18,042 | Siepe Software, LLC |
| 11/6/2020 | 31,388 | Centroid |
| 11/6/2020 | 35,200 | Intex Solutions, Inc. |
| 11/6/2020 | 47,471 | Houlihan Lokey |
| 11/6/2020 | 199,718 | Bloomberg Finance LP |
| 11/6/2020 | 446 | Ace Parking Management Inc. |
| 11/10/2020 | 6,190 | TW Telecom Holdings, Ilc |
| 11/10/2020 | 53,123 | John R Ames, CTA |
| 11/10/2020 | 2,669 | Iron Mountain Records Management |
| 11/13/2020 | 4,591 | Third Party Consultant |
| 11/13/2020 | 95,940 | Bloomberg Finance LP |
| 11/13/2020 | 6,271 | Intelligent Discovery Solutions, Inc. |
| 11/16/2020 | 118 | Arkadin, Inc. |
| 11/16/2020 | 224 | American Solutions for Business |
| 11/16/2020 | 273 | UPS Supply Chain Solutions |
| 11/16/2020 | 508 | Verity Group |
| 11/16/2020 | 1,160 | Canteen Vending Services |
| 11/16/2020 | 1,335 | GRUBHUB for Work |
| 11/16/2020 | 2,129 | NYSE MARKET, INC |
| 11/16/2020 | 5,391 | ICE Data Pricing & Reference Data, LLC |
| 11/16/2020 | 7,995 | Intralinks |
| 11/16/2020 | 11,496 | KPMG LLP |
| 11/17/2020 | 2,092 | Zayo Group, LLC |
| 11/17/2020 | 971 | EastWest Bank |
| 11/19/2020 | 825 | Xerox Corporation |
| 11/20/2020 | 138 | AT&T |
| 11/20/2020 | 4,629 | Liberty Life Assurance Company of Boston - Group Benefits |
| 11/20/2020 | 15,250 | HE Peoria Place |
| 11/20/2020 | 12,500 | Bloomberg Finance LP |
| 11/20/2020 | 549 | Pitney Bowes Financial Services LLC |
| 11/20/2020 | 32 | Pitney Bowes Financial Services LLC |
| 11/20/2020 | 32 | Pitney Bowes Financial Services LLC |
| 11/20/2020 | 2,845 | AT&T |
| 11/20/2020 | 790 | AT&T |
| 11/20/2020 | 870 | AT&T |
| 11/20/2020 | 7,251 | AT&T |
| 11/23/2020 | 11,888 | Flexential Colorado Corp. |
| 11/23/2020 | 7,500 | MacroMavens, LLC |
| 11/23/2020 | 1,375 | Canteen Vending Services |
| 11/23/2020 | 146 | Secured Access Systems, LLC |
| 11/23/2020 | 289 | UPS Supply Chain Solutions |
| 11/23/2020 | 249 | CHASE COURIERS, INC |
| 11/23/2020 | 225 | Four Seasons Plantscaping, LLC |
| 11/23/2020 | 481 | DTCC ITP LLC |
| 11/23/2020 | 131,149 | Siepe Services, LLC |
| 11/25/2020 | 1,422 | GRUBHUB for Work |
| 11/25/2020 | 2,845 | AT&T |
| 11/30/2020 | 11,000 | Third Party Consultant |
| | 1,022,221 | |

REORGANIZATION EXPENSES - OTHER

| Date | Amount | Description |
|-----------|---------|----------------------------|
| 11/2/2020 | 30,000 | Dubel & Associates, L.L.C. |
| 11/2/2020 | 150,000 | J.P. Seery & Co. LLC |
| 11/2/2020 | 30,000 | Nelms and Associates |
| | 210,000 | |

Monthly Operating Report
ACCRUAL BASIS-4

| | |
|--------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

| MGMT FEE RECEIVABLE AGING ² | | | August ³ | September ³ | October ³ | November ³ |
|--|---------------------------------|--|---------------------|------------------------|----------------------|-----------------------|
| 1. | 0-30 | | \$1,768,818 | \$2,577,696 | \$3,148,887 | \$1,495,877 |
| 2. | 31-60 | | \$772,384 | | \$807,441 | |
| 3. | 61-90 | | | \$772,384 | | |
| 4. | 91+ | | | | \$746,913 | |
| 5. | TOTAL MGMT FEE RECEIVABLE | | \$ 2,541,202 | \$ 3,350,080 | \$ 4,703,241 | \$1,495,877 |
| 6. | AMOUNT CONSIDERED UNCOLLECTIBLE | | | | | |
| 7. | MGMT FEE RECEIVABLE (NET) | | \$ 2,541,202 | \$ 3,350,080 | \$ 4,703,241 | \$1,495,877 |

| AGING OF POSTPETITION TAXES AND PAYABLES | | | MONTH: November 2020 | | |
|--|-----------|------------|----------------------|-----------|-----------|
| TAXES PAYABLE | 0-30 DAYS | 31-60 DAYS | 61-90 DAYS | 91+ DAYS | TOTAL |
| 1. FEDERAL | | | | | \$0 |
| 2. STATE | | | | | \$0 |
| 3. LOCAL | | | | | \$0 |
| 4. OTHER (ATTACH LIST) | | | | | \$0 |
| 5. TOTAL TAXES PAYABLE | \$0 | \$0 | \$0 | \$0 | \$0 |
| 6. ACCOUNTS PAYABLE | \$625,935 | \$6,277 | \$17,276 | \$100,881 | \$750,368 |

| STATUS OF POSTPETITION TAXES ¹ | | MONTH: November 2020 | | |
|---|-------------------------|--------------------------------|-------------|----------------------|
| FEDERAL | BEGINNING TAX LIABILITY | AMOUNT WITHHELD AND/OR ACCRUED | AMOUNT PAID | ENDING TAX LIABILITY |
| 1. WITHHOLDING | | | | \$0 |
| 2. FICA-EMPLOYEE | | | | \$0 |
| 3. FICA-EMPLOYER | | | | \$0 |
| 4. UNEMPLOYMENT | | | | \$0 |
| 5. INCOME | | | | \$0 |
| 6. OTHER (ATTACH LIST) | | | | \$0 |
| 7. TOTAL FEDERAL TAXES | \$0 | \$0 | \$0 | \$0 |
| STATE AND LOCAL | | | | |
| 8. WITHHOLDING | | | | \$0 |
| 9. SALES | | | | \$0 |
| 10. EXCISE | | | | \$0 |
| 11. UNEMPLOYMENT | | | | \$0 |
| 12. REAL PROPERTY | \$0 | \$0 | \$0 | \$0 |
| 13. PERSONAL PROPERTY | | | | \$0 |
| 14. OTHER (ATTACH LIST) | | | | \$0 |
| 15. TOTAL STATE & LOCAL | \$0 | \$0 | \$0 | \$0 |
| 16. TOTAL TAXES | \$0 | \$0 | \$0 | \$0 |

1 The Debtor funds all state and federal employment taxes to Paylocity, who files all required federal and state related employment reports and withholdings.

2 Aging based on when management fee is due and payable.

3 All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process.

Monthly Operating Report
ACCRUAL BASIS-5

| | |
|--------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

MONTH: November 2020

| BANK RECONCILIATIONS | Account #1 | Account #2 | Account #3 | Account #4 | Account #5 | Account #6 | |
|--|----------------|----------------|-------------|---------------|------------|----------------|---------------|
| A. BANK: | East West Bank | East West Bank | Maxim Group | Jefferies LLC | Nexbank | East West Bank | TOTAL |
| B. ACCOUNT NUMBER: | x4686 | x4693 | x1885 | x0932 | x5891 | x5848 | |
| C. PURPOSE (TYPE): | Operating | Insurance | Brokerage | Brokerage | CD | Prepaid Card | |
| 1. BALANCE PER BANK STATEMENT ¹ | \$ 13,124,581 | \$ 3,842 | \$ 30 | \$ - | \$ 138,190 | \$ 100,068 | \$ 13,366,710 |
| 2. ADD: TOTAL DEPOSITS NOT CREDITED | | | | | | | \$ - |
| 3. SUBTRACT: OUTSTANDING CHECKS | | | | | | | \$ - |
| 4. OTHER RECONCILING ITEMS | | | | | | | \$ - |
| 5. MONTH END BALANCE PER BOOKS | \$ 13,124,581 | \$ 3,842 | \$ 30 | \$ - | \$ 138,190 | \$ 100,068 | \$ 13,366,710 |
| 6. NUMBER OF LAST CHECK WRITTEN | 100510 | n/a | n/a | n/a | n/a | n/a | |

| INVESTMENT ACCOUNTS | | | | | | | |
|-----------------------------|------------------|--------------------|----------------|---------------|--|--|-----|
| BANK, ACCOUNT NAME & NUMBER | DATE OF PURCHASE | TYPE OF INSTRUMENT | PURCHASE PRICE | CURRENT VALUE | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| 10. | | | | | | | |
| 11. TOTAL INVESTMENTS | | | \$0 | | | | \$0 |

| CASH | |
|-------------------------------|--------------|
| 12. CURRENCY ON HAND | \$0 |
| 13. TOTAL CASH - END OF MONTH | \$13,366,710 |

1 Account x6342 is now closed.

Monthly Operating Report
ACCRUAL BASIS-6

| | |
|--------------|-----------------------------|
| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

MONTH: November 2020

PAYMENTS TO INSIDERS AND PROFESSIONALS

| INSIDERS | | | | |
|----------------------------|------------------|------------------------------------|-------------|--------------------------|
| NAME | | TYPE OF PAYMENT | AMOUNT PAID | TOTAL PAID POST PETITION |
| 1 | Frank Waterhouse | Salary | \$33,333 | \$427,083 |
| 2 | Frank Waterhouse | Expense Reimbursement | \$384 | \$6,605 |
| 3 | Scott Ellington | Salary | \$37,500 | \$506,250 |
| 4 | Scott Ellington | Expense Reimbursement | \$260 | \$6,598 |
| 5 | James Dondero | Salary | \$0 | \$129,972 |
| 6 | James Dondero | Expense Reimbursement ¹ | \$0 | \$16,918 |
| 7 | Thomas Surgent | Salary | \$33,333 | \$450,000 |
| 8 | Thomas Surgent | Expense Reimbursement | \$400 | \$4,981 |
| 9 | Trey Parker | Salary | \$0 | \$131,250 |
| 10 | Trey Parker | Expense Reimbursement | \$0 | \$6,212 |
| TOTAL PAYMENTS TO INSIDERS | | | \$105,210 | \$1,685,869 |

¹ The total amount of reimbursements during the reporting month also included \$3,129 for use of the credit card by the Debtor for office related expenses such as subscriptions and IT equipment/software.

| PROFESSIONALS ² | | | | | | |
|---------------------------------|---|---------------------------------------|--------------------|----------------|-----------------------|-------------------------------|
| NAME | | DATE OF MONTHLY FEE APPLICATION | AMOUNT APPROVED | AMOUNT PAID | TOTAL PAID TO DATE | TOTAL INCURRED & UNPAID |
| 1. | Kurtzman Carson Consultants LLC | | 41,435 | 41,435 | 573,957 | 54,170 |
| 2. | Sidley Austin LLP | | 511,998 | 511,998 | 6,319,089 | 821,421 |
| 3. | Young Conaway Stargatt & Taylor LLP | | - | - | 281,156 | - |
| 4. | FTI Consulting, Inc. | | 382,499 | 382,499 | 3,989,791 | 425,593 |
| 5. | Pachulski Stang Ziehl & Jones LLP | | 541,680 | 541,680 | 8,976,900 | 970,463 |
| 6 | Hayward & Associates PLLC | | 4,871 | 4,871 | 261,283 | 67,488 |
| 7 | Development Specialists, Inc. | | 249,129 | 249,129 | 2,600,354 | 249,129 |
| 8 | Foley & Lardner LLP | | - | - | 464,294 | 132,045 |
| 9 | Mercer (US) Inc. | | - | - | 170,284 | - |
| 10 | Wilmer Cutler Pickering Hale and Dorr LLP | | - | - | 618,643 | |
| 11 | Meta-e Discovery LLC | | - | - | 165,000 | |
| TOTAL PAYMENTS TO PROFESSIONALS | | | | 1,731,613 | 24,420,749 | 2,720,310 |

² Does not include payments to ordinary course professionals.

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

| NAME OF CREDITOR | | SCHEDULED MONTHLY PAYMENTS DUE | AMOUNTS PAID DURING MONTH | TOTAL UNPAID POSTPETITION |
|------------------|--|--------------------------------|---------------------------|---------------------------|
| 1. | Crescent TC Investors LP (rent portion only) | 130,364 | 130,364 | - |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | TOTAL | 130,364 | \$130,364 | \$0 |

Monthly Operating Report

ACCRUAL BASIS-7

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| CASE NAME: | Highland Capital Management |
| CASE NUMBER: | 19-34054 |

MONTH: November 2020

QUESTIONNAIRE

| | YES | NO |
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| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? | | X |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT? | | X |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES? | X | |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD? | | X |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY? | | X |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE? | | X |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE? | | X |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE? | | X |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE? | | X |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT? | | X |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD? | | X |
| 12. ARE ANY WAGE PAYMENTS PAST DUE? | | X |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

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| 3 | Debtor generates fee income and other receipts from various related parties in normal course, see cash management motion for further discussion. |
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INSURANCE

| | | YES | NO |
|----|---|-----|----|
| 1. | ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT? | x | |
| 2. | ARE ALL PREMIUM PAYMENTS PAID CURRENT? | x | |
| 3. | PLEASE ITEMIZE POLICIES BELOW. | | |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

[illegible]